



PERFORMANCE REPORT

Performance Results Achieved
Fiscal Year 2006

Introduction

I am pleased to present Iowa Workforce Development's performance report for fiscal year 2006 (July 1, 2005- June 30, 2006). This report contains valuable information about the services Iowa Workforce Development and its partners provided for Iowans during the past fiscal year in the area of workforce development. It provides details about our performance for the wide range of services offered by the Department.

While our funding, especially at the federal level, continues to decline, we have met or exceeded the great majority of our performance standards. We will continue to seek ways to improve our performance and to address a number of key strategic challenges, including:

- Skills gap between the skills of the existing workforce and available jobs
- Availability of qualified workers
- Soft skills of workers (communication, problem solving, interpersonal skills, good work habits, etc.)

We invite all citizens, businesses, and non-profit organizations in Iowa to join with Iowa Workforce Development and its partners to address these challenges and provide more and better career opportunities for Iowans.

Sincerely,

David Neil
Interim Director, Iowa Workforce Development

Agency Overview

Vision: Iowa Workforce Development (IWD) envisions a future where Iowa has safe workplaces, a productive and economically secure workforce, and where Iowans are prepared for an ever-changing future.

Mission: Iowa Workforce Development will contribute to Iowa's economic growth by providing quality, customer-driven services that support prosperity, productivity, health and safety for Iowans.

Guiding Principles

- Transparency
- Data-based decisions
- Productivity and responsiveness
- Fiscal responsibility
- Professional responsibility

IWD's major services and products:

- Workforce Center Services - Services to assist businesses to identify and hire productive employees, and workers to obtain jobs and achieve career growth.
- Compliance Assistance and Enforcement - Various activities to enhance the economic security, safety and health of Iowans.
- Unemployment Insurance - Benefits for persons who have lost their job through no fault of their own.
- Workforce Information and Analysis - Data for business, schools, individuals, economic developers, and government agencies to allow them to make informed choices about such things as careers, expansions, and wage levels.
- Adjudication, Compliance, and Education - Adjudication of income support issues for workers who have been injured on the job and unemployment insurance appeals.
- Resource Management - Internal services, such as human resources, financial and budget support, and public relations that support the department as a whole.

IWD is a department within the executive branch of Iowa State Government. It was established in 1996 by Iowa Code Chapter 84A. At that time, the Department of Employment Services and portions of the Departments of Economic Development and Human Rights were merged into a new department with the purpose of administering the laws of Iowa relating to unemployment

insurance, job placement and training, employment safety, labor standards, workers' compensation and others. The statute that created the Department also established the Iowa Workforce Development Board to oversee its functions.

We provide services through a statewide delivery system developed in conjunction with our workforce development partners. Administrative staff are centralized in two offices in Des Moines located at 1000 East Grand Avenue and 150 Des Moines Street.

IWD maintains a network of local centers within 16 regions of Iowa. Each region has a full-service workforce development center with a network of itinerant and satellite offices. Many centers are shared by multiple workforce partners, including non-profit organizations, the Department of Human Services, Vocational Rehabilitation, and community colleges.

Through a comprehensive Web site, we also provide customer access to major services, such as posting résumés, filing unemployment insurance claims, and providing basic services and labor market information, 24 hours a day, seven days a week. These services are found on the IWD Web site (www.iowaworkforce.org, which provides information about the department in general), the IWD IowaJobs Web site (www.iowajobs.org) and the IWD Iowa Works Web site (www.iowaworks.org), which is designed for Iowa businesses and employers.

During this reporting period, the department had 6 divisions: Administrative Services, Labor Services, Policy and Information, Unemployment Insurance, Workers' Compensation, and Workforce Development Center Administration. IWD staff members are committed to providing quality services to all Iowans.

During fiscal year 2006, IWD had 797 employees working in the Administrative office, UI Service Center and dozens of Workforce Development Centers and satellite offices serving all ninety-nine counties. Some IWD staff work from their homes. IWD employees are represented by two unions; the American Federation of State, County and Municipal Employees (AFSCME) and Iowa United Professionals (IUP).

The Workers' Compensation Division adjudicates disputed workers' compensation claims, enforces compliance standards, and helps to educate Iowans about workers' compensation laws and procedures. In Fiscal Year 2006, the time it takes to resolve disputed cases was reduced for the fourth year in a row.

The Unemployment Insurance Division continued the multi-year process of modernizing the current tax collection system into a paperless, electronic system.

The Workforce Development Center Administration Division completed implementation of a new Internet-based, skills-oriented labor exchange system to replace two separate older computer systems, and looks forward to having it replace the computer information systems for additional programs, too.

The department is responsible for the administration of state and federal statutes related to public health and safety and workforce and workplace issues. Iowa's Occupational Safety and Health Act administration is located within the department. IWD's emphasis is on voluntary compliance through education and preventive services.

The department's budget for Fiscal Year 2006 totaled well over \$100 million from a variety of federal and state funding sources. Federal support for programs to provide labor exchange services, unemployment insurance, health and safety programs, job training, and other services comprised the largest share of revenue.

KEY RESULT

CORE FUNCTION

Name: Regulation and Compliance – Labor Services

Description:

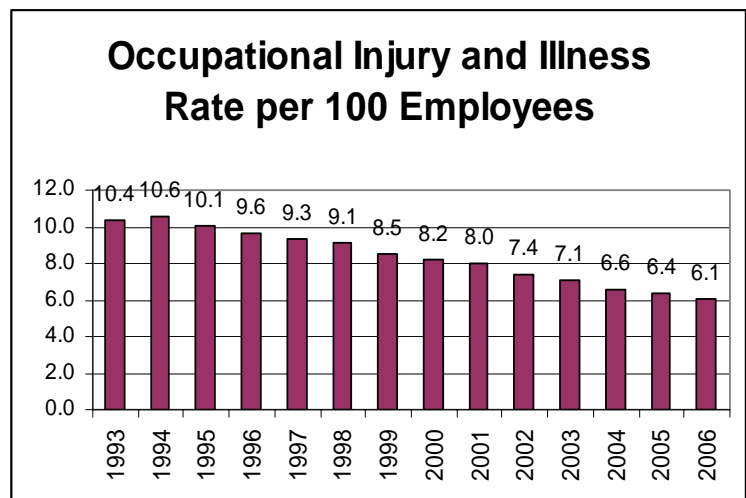
Why we are doing this: To protect the health and safety of workers and the public in Iowa.

What we're doing to achieve results: The Labor Division provides a wide range of services to help assure health and safety in Iowa workplaces as well as other public places involving such things as elevators, boilers, amusement rides, and boxing events.

Results

Performance Measure: Injury and illness per 100 employees

Performance Goal/Target: 9 or fewer incidents of occupational injuries, illnesses or fatalities per 100 employees.



What was achieved: The actual rate continues to be better than the targeted rate for the eighth year in a row.

Data Sources: Administrative records to document an existing federal measure.

Resources: A blend of State funds and federal matching funds.

KEY RESULT

CORE FUNCTION

Name: Workers' Compensation – Adjudication and Compliance

Description: Provide a forum to resolve disputes involving Workers' Compensation

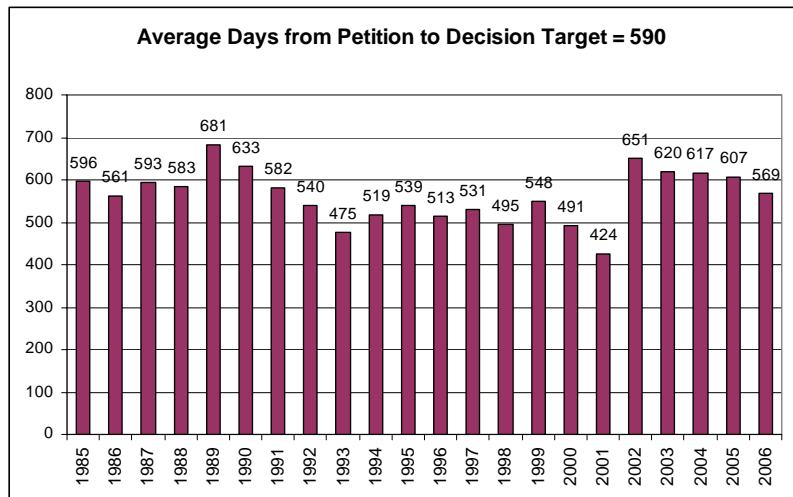
Why we are doing this: These claims are extremely important to the parties, involving sustenance and medical coverage for injured workers and for survivors, so there needs to be a prompt and impartial process to resolve disputes.

What we're doing to achieve results: The Workers' Compensation Division is continually refining its processes to reduce delays in resolving disputes with the resources available.

Results

Performance Measure: Average days from petition to decision.

Performance Goal/Target: 590 days



What was achieved: Additional progress was made during Fiscal Year 2005 in meeting the ambitious goal that was set.

Data Sources: Administrative records

Resources: State General Funds

KEY RESULT

SERVICE/ PRODUCT/ ACTIVITY

Name: Skill Training

Description: Through the federally funded Workforce Investment Act, skill training can be provided to eligible individuals to improve their workplace skills. The goal of skill training is to enable the participants to secure employment and increase their earnings.

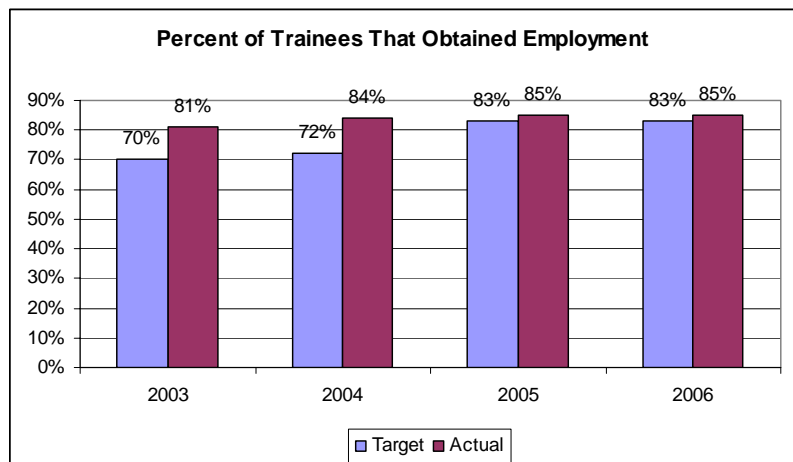
Why we are doing this: This service is directly related to Governor Vilsack's goal of increasing the number of Iowans with post-secondary education, which is important for improving Iowa's economy as well as for the benefit of the individual participants.

What we're doing to achieve results: Iowa Workforce Development and its service partners are continually striving to improve performance in all programs by streamlining processes and applying new technologies.

Results

Performance Measure: Percent of Trainees who obtained employment.

Performance Goal/Target: Iowa continues to exceed federal targets.



What was achieved: The federal goals were met even at the higher levels set by the federal Department of Labor

Data Sources: Administrative records and federal reports.

Resources: Federal Workforce Investment Act funds.

KEY RESULT CORE FUNCTION

Name: Research, Analysis and Information Management

Description: Produce and distribute information to help to students, workers, businesses, researchers, educators, policy makers, and economic developers.

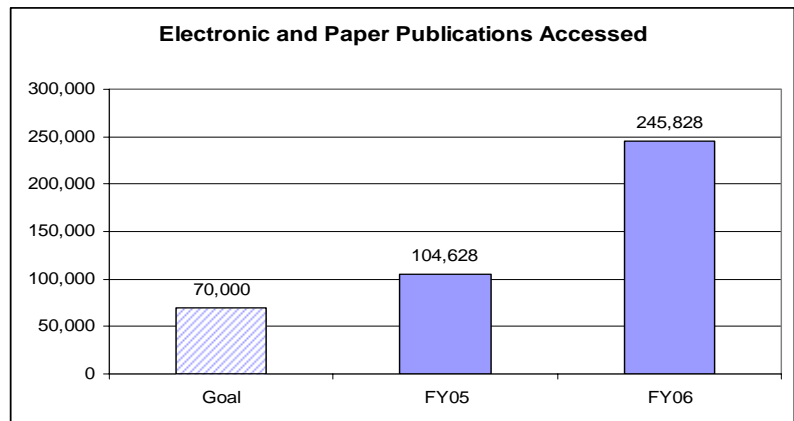
Why we are doing this: To help people and organizations make sound decisions in the complex and rapidly changing labor market.

What we're doing to achieve results: We have introduced a new interactive labor market information area of our Web site to make it easier for customers to obtain the information they need. We have also introduced new products and services to help sub-state areas reach a better understanding of their regional economies and how they can most effectively target their limited economic development resources.

Results

Performance Measure: *The number of electronic and paper labor market publications our customers accessed.*

Performance Goal/Target: *70,000 publications*



What was achieved: Demand for labor market information increased during this period, in part due to new services and products that were introduced.

Data Sources: Administrative records and Web tracking software. Note: Electronic access grew rapidly during this period, some of which involved downloading whole publications or reading them on-line, while others may have involved looking only for isolated data elements within publications. The figure for FY06 is estimated by combining actual figures for limited runs of printed and electronic publications, plus one third of the hits at the higher volume access sites.

Resources: Primarily federal funds from the Bureau of Labor Statistics and the Employment and Training Administration.

KEY RESULT

SERVICE/ PRODUCT/ ACTIVITY

Name: Targeted Populations

Description: Iowa Workforce Development provides a variety of services to New Iowans, people with disabilities, and others who are at a disadvantage in the labor market.

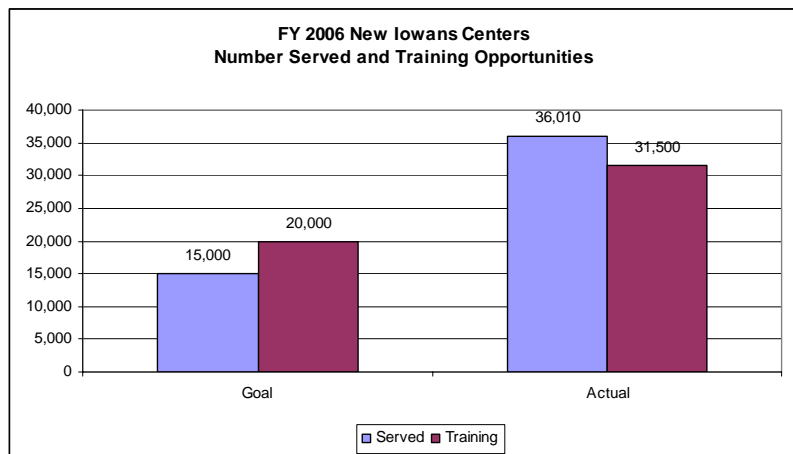
Why we are doing this: To increase opportunities for people who are disadvantaged and to help meet labor and skill shortages.

What we're doing to achieve results: Iowa Workforce Development administers the federal Work Opportunities Tax Credit (WOTC) program, maintains a network of New Iowans Centers, assists with the alien labor certification process and provides individual assistance to people with disabilities.

Results

Performance Measure: Number of New Iowans served and training opportunities provided.

Performance Goal/Target: 15,000 served and 20,000 training opportunities.



What was achieved: A federal grant was received during this period to expand services to additional areas of the state.

Data Sources: Administrative records. A new computer system was developed that can more accurately capture the numbers served in group activities. The training measure now more accurately records the total number of training opportunities offered.

Resources: State General Funds and special federal grant funding from the U.S. Department of Labor.

KEY RESULT

CORE FUNCTION

Name: Economic Supports – Unemployment Insurance

Description: The Unemployment Insurance program collects taxes from covered employers and pays benefits to eligible claimants.

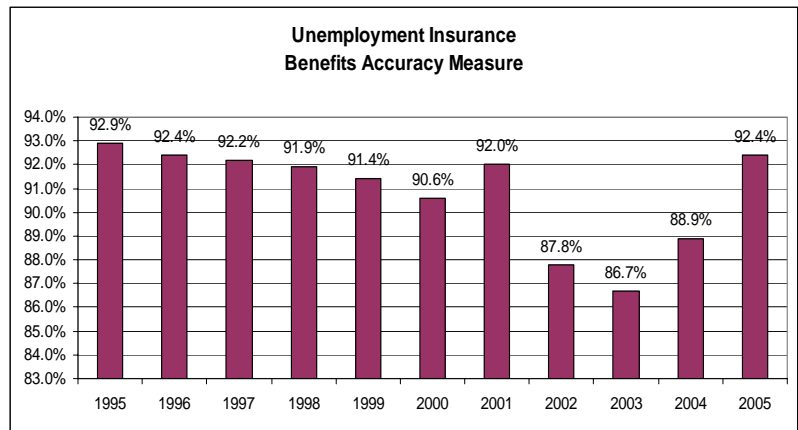
Why we are doing this: To provide a temporary source of income to workers who lose their jobs through no fault of their own, to help provide employers with a more stable workforce, and to help stabilize the economies of communities where workers are laid off.

What we're doing to achieve results: Iowa Workforce Development continues to pursue a multi-year effort to streamline and automate the tax and data collection process to make it more efficient for businesses, claimants and the State.

Results

Performance Measure: *The Benefits Accuracy Measure, which tests a sample of cases to see if they meet federal standards.*

Performance Goal/Target: 92% for calendar year 2005



What was achieved: The level of achievement for this measure improved this year, but remained slightly below the federal target.

Data Sources: Administrative records and federal reports

Resources: Federal unemployment insurance funds

KEY RESULT STRATEGIC GOAL

Name: External Communication and Services

Description: Web Site Activity

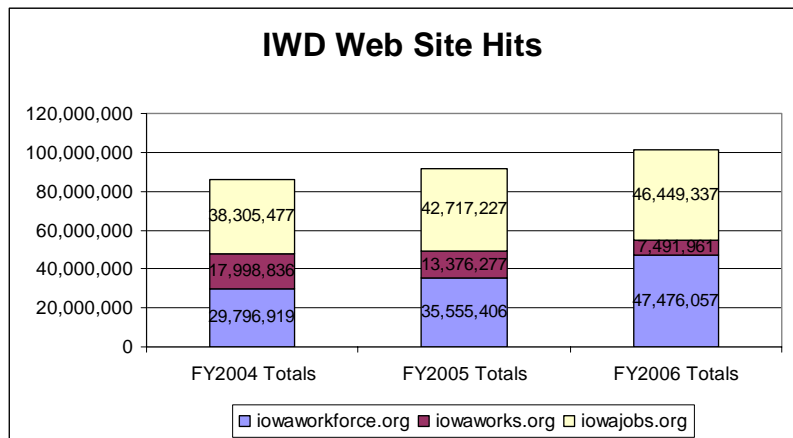
Why we are doing this: Iowa Workforce Development continues to make more information and service transactions available over the Internet. The department's family of Web helps people find jobs and apply for unemployment insurance, helps employers to find skilled workers, makes workers' compensation transactions more efficient, and provides information for workers and employers to make sound decisions about wages and careers. All of this is available at any time from any location where there is access to the Internet.

What we're doing to achieve results: Making more services available on the internet, and continually seeking ways to make our Web site more user friendly.

Results

Performance Measure: Web site hit counts

Performance Goal/Target: 6,840,000 hits during Fiscal Year 2006



What was achieved: We totaled 101,417,355 hits during the year, despite the fact that some service upgrades temporarily disrupted links between the sites, which slowed our growth rate. The Web services continue to be extremely popular with customers.

Data Sources: Web tracking software

Resources: Both capital and human resources to support the Web presence come from all parts of the department and are, for that reason, difficult to quantify accurately. The department has successfully adopted a policy of distributed Web authoring combined with central Web administration.

AGENCY PERFORMANCE PLAN RESULTS FY 2006

| Name of Agency: Iowa Workforce Development | | | |
|--|-----------------------------------|---------------------------|--|
| Agency Mission: Iowa Workforce Development (IWD) contributes to Iowa's economic growth by providing quality customer-driven services that support prosperity, productivity, health and safety for Iowans. | | | |
| Core Function: Regulation and Compliance (Labor Services) | | | |
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Injury and illness incidence rate per 100 employees for all industries. | Below 9 | 6.1 | What Occurred: The injury and illness rate continued to decline slightly from 6.4 per 100 employees in the previous year. Data Source: Administrative records |
| Service, Product or Activity: IOSH enforcement | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. IOSH enforcement | 85% of goals in 5-year state plan | 85% | What Occurred: Progress toward meeting the 5-year plan goals continues. Data Source: Administrative Records |
| Service, Product or Activity: IOSH Consultation and Education | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. IOSH Consultation and Education | 85% of goals in 5-year state plan | 85% | What Occurred: Progress toward meeting the 5-year plan goals continues. Data Source: Administrative Records |
| Service, Product or Activity: Wage enforcement | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Notice of claims refused sent to claimant within 14 days | 85% | 87% | What Occurred: Notices of claims refused were sent out within 2-3 days of receipt of claim, exceeding expectations. Data Source: Administrative Records |
| Service, Product or Activity: Hazardous Materials | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Percent of data entered on hazmat stored in workplaces | 95% timely entries | 61% | What Occurred: Electronic records were downloaded within a month of receipt, but manual data entry delayed due to funding & staffing limitations. Data Source: Administrative Records |
| Service, Product or Activity: IOSH Voluntary Protection Program (VPP) | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Number of firms that participate in VPP | 2 new firms added | 2 firms added | What Occurred: New firms participating Data Source: Administrative Records |

| Core Function: Research, Analysis and Information Management | | | |
|---|---------------------------------|---------------------------|--|
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| Electronic and hard copy presentations accessed | 70,000 | 245,828* | What Occurred: High rates of access to both printed and electronic publications. Data Source: Administrative records |
| Service, Product or Activity: Data Analysis | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Timely and accurate federal deliverables produced | 100% | 100% | What Occurred: All deliverables met standards Data Source: Administrative records and federal monitoring review |
| 1. Labor availability surveys – percent of statewide sample | 90% | 91% | What Occurred: Data available for 90% of the state as of the end of FY05. Data Source: Data files for Iowa commuting areas. |
| 1. Labor market information Web site hits. | Average 500,000 hits per month. | 488,074 | What Occurred: Narrowly missed meeting goal, largely due to disconnect (now remedied) between job search and LMI sites. Data Source: Administrative records and Web tracking data |

* Combination of actual figures for small documents from “level of demand” report plus 1/3 of hits for high volume sites.

| Core Function: Resource Management | | | |
|---|-------------------------------------|---|---|
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Customer satisfaction rates | 95% | 95% | What Occurred: Goal attained. Data Source: Informal surveys. |
| Service, Product or Activity: Financial Management | | | |
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Annual audits will note no major exceptions | 0% | 0% | What Occurred: There were no major audit exceptions. Data Source: Department audits |
| Service, Product or Activity: Employee Services | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Turnover and absenteeism rates | Lower than state government average | 100% (IWD lower than State average for both measures) | What Occurred: Both rates declined this year. Data Source: Personnel records |
| Service, Product or Activity: Information technology | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Customer satisfaction | 95% | 95% | What Occurred: Goal attained. Data Source: Informal surveys. |
| Service, Product or Activity: Web Administration | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Average Web hits per month | 5.7 million | 7,414,478 | What Occurred: IWD's Web services continue to grow dramatically in popularity. Data Source: Web activity tracking software |

| Core Function: Economic Supports (Unemployment Insurance) | | | |
|--|--|---------------------------|--|
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Benefits Accuracy Measure | 92% | 92.4% | What Occurred: IWD exceeded the goal for this measure this year. Data Source: Federally required administrative records |
| 2. Tax Performance System (Sample cases that pass acceptance) | 94% | 94.3% | What Occurred: IWD met the federal target. Data Source: Federally required administrative records |
| Service, Product or Activity: Unemployment Insurance Tax | | | |
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Timeliness of new employer determinations | 70% within 90 days of the end of the quarter | 71.7% | What Occurred: The target continued to be exceeded by a significant margin. Data Source: Administrative records |
| 2. Timeliness of first payments | 87% within 21 days | 90.5% | What Occurred: IWD met the federal target. Data Source: Administrative records |

| Core Function: Adjudication and Dispute Resolution (Workers' Compensation and Unemployment Insurance Appeals) | | | |
|--|--|---------------------------|---|
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Workers' Compensation - contested cases resolved | 720 decisions and 240 appeal decisions = 960 total | 1,061 total decisions | What Occurred: The target was met. Data Source: Administrative records |
| Service, Product or Activity: Workers' Compensation | | | |
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Workers Compensation – average days from petition to decision | Average time will not exceed 590 days | 567 days | What Occurred: The goal was met. Data Source: Administrative records |
| 2. Workers Compensation – Average days from hearing to decision | Average time will not exceed 60 days | 73 days | What Occurred: The goal has not yet been met. Data Source: Administrative records |
| 3. Time fully submitted cases remain pending on appeal. | Will not exceed 90 days. | 125 | What Occurred: This goal has not yet been met. Data Source: Administrative records |
| Service, Product or Activity: Unemployment Insurance Appeals | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Percent meeting standards for time from filing to decision | In 60% of cases, decision will be issued within 30 days of filing. | 84.1% | What Occurred: The goal was met. Data Source: Administrative records |
| 2. Random sample of cases meeting federal quality standards | 90% of cases score 85% or higher | 97.5% | What Occurred: The goal was met. Data Source: Administrative records |

| Core Function: Workforce Development Services | | | |
|---|---|---|---|
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Size of Iowa Workforce | 1,500,000 | 1,676,600 | What Occurred: The workforce grew throughout the year. Data Source: BLS/LAUS program |
| 2. Customer satisfaction rates for participants and businesses | 75% for businesses & participants | Average 77% | What Occurred: Employers and participants generally satisfied. Data Source: Administrative records and federal reports |
| Service, Product or Activity: Field office operations and skill training | | | |
| Performance Measure (Outcome) | Performance Target | Performance Actual | Performance Comments & Analysis |
| 1. Field office operations (Wagner-Peyser programs) entered employment rate | 66% | 71% | What Occurred: The goal was exceeded Data Source: Administrative records |
| 3. New Iowans Center – number served | 2,000 | 36,010 | What Occurred: The goal was exceeded Data Source: Administrative records* |
| 4. New Iowans Center – number of training opportunities provided. | 1,500 | 31,500 | What Occurred: The goal was exceeded Data Source: Administrative records* |
| 1. WIA entered employment rate for trainees | Adult – 73% Dislocated Workers – 81% | Adult – 84.2% Dislocated Workers – 90.4% | What Occurred: Goals were exceeded Data Source: Administrative Records & Federal Reports |

* New federal grant received to expand program and new computer information system implemented during this period

Resource Reallocations

A number of staff and financial reallocations were made during FY 2006 in order to adjust to shifts in resources or to help meet critical needs:

- Because of reductions in federal appropriations and the lack of funding for salary increases, a number of positions remain unfilled throughout the agency due to inadequate resources.
- A number of staff members were assigned to work full time on the unemployment insurance tax redesign project, with their salaries and related costs shifted to a special federal allocation of Reed Act funds for this purpose.
- Members of upper management left the department in the wake of a salary scandal at a central Iowa regional agency. Other managers were reassigned to cover their functions on an interim basis.
- The department initiated a transition from in-house support of mainframe computer functions to support by the Department of Administrative Services. This move is expected to result in cost savings and will also provide off-site back-up of critical records.
- Many human resource functions were also transferred from an in-house work unit to the Department of Administrative Services as a cost savings measure.
- A number of small satellite offices were closed to help respond to a budget shortfall.

AGENCY CONTACTS

Copies of Iowa Workforce Development's Performance Report are available on the IWD Web site at www.iowaworkforce.org. Copies of the report can also be obtained by contacting Teresa Taylor-Wolf at 515-281-8181 or Diane Oak Goode at 242-0056.

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